

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY,
INDIANA, HELD A SPECIAL COUNCIL MEETING IN THE THIRD FLOOR
ASSEMBLY ROOM OF THE CITY/COUNTY BUILDING ON WEDNESDAY,
AUGUST 23, 2006 AT 6:50 P.M.**

The special meeting of the **New Albany City Council** was called to order by Vice President Donnie Blevins at 6:50 pm. The meeting opened with the Lord's Prayer and the Pledge of Allegiance.

MEMBERS PRESENT: Council Members Mr. Coffey, Mr. Schmidt, Mr. Price, Mr. Kochert, Ms. Crump, Vice President Blevins, Mr. Messer and Mr. Seabrook. President Jeff Gahan was not present.

Ms. Crump stated that she doesn't want to give all \$3M of the money to the sewers when we need to save our street department.

Mr. Seabrook explained that out of the \$3.4M if you spent \$2M towards the sewer project, it would leave you \$1.4M for other contingencies that the city has.

Mr. Fifer explained that they studied very closely whether they could come up with a 0% increase using jail bond money and EDIT money and the short answer was yes. He then went on to explain that even if you put those monies in, you will still need almost \$1.7M a year from EDIT for 17 years to get to zero and that would take up all of the EDIT monies. He stated again that they could put a structure together to get to zero but they can't do it in the traditional way that all of the proposals by the council are structured because we would have to go back and do a lease deal that avoids this constitutional debt limit problem. He stated that we can't get that in place by September 1st.

Mr. Blevins asked why he didn't already have a proposal of zero if he knew that the council did not want an increase.

Mr. Fifer replied that the council already has a proposal to save the street department that would take \$800,000 of EDIT or the jail bond money to fix that department this year. He stated that he has taken every legitimate comment that the council has made as to how they would like to see and have presented those to Umbaugh to analyze and bring back plans to you. Again, he stressed that if there is five of the council that want zero, it can be done but it will tie your hands as far as dealing with other problem areas of the city.

Mr. Baldessari further explained Mr. Fifer's comments.

Mr. Schmidt asked that it is in the contract with Redevelopment that TIF will pay back the parking garage \$3.2M.

Mr. Seabrook stated that the only thing is that may take a while.

Mr. Price stated that he feels like that street department and the sewers are the two big issues right now that have to be taken care of. He feels that they should utilize 80%-90% of EDIT and Riverboat monies for these two necessities. He also feels that when we get our budget back, each department should take 10% off of every line item. He also wants to take two years to completely restructure the sewer department.

Mr. Baldessari went over all three options in detail once more.

Mr. Coffey stated that he is having a hard time with borrowing to increase our revenue.

There was a lengthy discussion regarding different ways to fund the sewer utility and how the city needs to borrow to ensure that they can pay their bills.

Mr. Seabrook stated that we have to do something and to lose the SRF money would be the biggest mistake we could make right now. He added that if we do lose that money then we are going to have to come up with \$5M a year. He also stated that your EDIT and your Riverboat monies will just disappear until this mess is cleaned up if we lose the SRF money.

Mr. Fifer expressed that we are not going to be able to avoid the necessity of fixing this problem and things will only get worse if we don't fix it.

Mr. Coffey stated that he just wants a guarantee that this will fix it.

Mr. Fifer stated this will fix everything that we know about today. He added that if 15th Street caves in, this won't fix it; there is no money in this for 15th Street.

Mr. Price asked if we already have the SRF money.

Mayor Garner replied that it is all contingent upon adjusting our rates.

Mr. Fifer stated that we are pre-approved if we do something by September 1st.

Mr. Downs explained the next steps to moving forward.

Mr. Seabrook recommended that B or C needs to be done but no action can be taken tonight.

Mr. Downs explained again that the payment has to be made or you will be in default and you have to increase your rate.

There was a lengthy discussion of the TIF fund and Riverboat fund.

There being no further business before the board, the meeting adjourned at 7:25 p.m.

Donnie Blevins, Vice President
Common Council, City of New Albany

ATTEST: _____
Marcey J. Wisman, City Clerk